

MINUTE ITEM

3/31/66

23. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2793.1, SANTA BARBARA COUNTY; THE ATLANTIC REFINING COMPANY - W.O. 6071.

After consideration of Calendar Item 34 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO THE ATLANTIC REFINING COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2793.1 FROM APRIL 27, 1966, THROUGH OCTOBER 26, 1966, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 34 (1 page)

34.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2793.1, SANTA BARBARA COUNTY; THE ATLANTIC REFINING COMPANY - W.O. 6071.

State Oil and Gas Lease P.R.C. 2793.1, containing 4,250.14 acres of tide and submerged lands offshore Santa Barbara County, was issued on October 26, 1961, to Richfield Oil Corporation (Atlantic Refining Company is the successor in interest to Richfield by merger), Socony Mobil Oil Company, Inc., and Signal Oil and Gas Company, pursuant to competitive public bidding.

Since October 22, 1964, the Commission has granted deferments of drilling requirements under the lease through April 26, 1966.

An application has been received from Atlantic, operator, requesting a six-month deferment of the drilling requirements through October 26, 1966.

Prior to the merger with Atlantic, Richfield Oil Corporation, as operator, drilled one producing oil and gas well on the lands covered by the subject lease. The well was completed on the ocean floor, and has produced through submarine flow lines extending from the wellhead approximately 23,000 feet to onshore tank facilities. A great many production and operating problems have been encountered in producing this well because of the length of the flow lines. The well ceased producing in June of 1965 due to a water column in the tubing.

On July 21, 1965, a portion of this lease was included in a conventional reflection seismic survey conducted by Richfield in the Santa Barbara Channel during the period May through July 1965.

The operator states that additional time is needed to evaluate pertinent geological and economic information before incurring the sizeable expense and risk involved in drilling another well.

In conformance with current Commission practice of granting deferments for periods not in excess of six months,

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO THE ATLANTIC REFINING COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2793.1 FROM APRIL 27, 1966, THROUGH OCTOBER 26, 1966, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.